

## Judge Halts Implementation of PA 98-599

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On May 14, Circuit Court Judge John Belz granted a temporary restraining order and a preliminary injunction stopping implementation of Public Act 98-599, the pension reform law passed Dec. 5, 2013.

The judge ruled on a lawsuit filed by several groups representing state workers and retirees, requesting that P.A. 98-599 be halted until Illinois courts can decide its constitutionality.

**In accordance with the order, SURS will continue administering contributions and benefits as the law existed prior to amendment by P.A. 98-599 until otherwise ordered by the court.**

Moving forward, SURS will continue to counsel members who have scheduled retirement appointments. Members will receive retirement estimates based on the current statute. No estimates will be issued that reflect P.A. 98-599. Members also have the ability to calculate their retirement benefits based on the current statute by using the Benefit Estimator on the SURS Member Website. To access the Member site, go to [www.surs.org](http://www.surs.org) [1] and click on the gold button at the top of the page.

Members who have submitted a retirement application may rescind the application as long as it has not been finalized and no certificate of retirement has been issued. Members must send a signed letter to SURS (P.O. Box 2710, Champaign, Illinois, 61825) indicating their desire to rescind their application. To ensure the timely rescission of retirement applications with a retirement date anytime in May, letters should be postmarked no later than July 1, 2014. For applications with a retirement date anytime in June, letters should be postmarked no later than Aug. 1, 2014.

**SURS encourages members to contact their employer before making a decision to rescind their retirement application to ensure employment opportunities are still available.**

Members who have submitted retirement applications and those who have received estimates in the past four months may go to the SURS Benefit Estimator to recalculate their retirement estimates based on the current statute.

Members who are actively working will not see a change in their benefit contributions on July 1, 2014. Contribution rates will remain the same at 8% (9.5% for university police and firefighters), and the pensionable earnings cap as outlined in P.A. 98-599 will not apply. The Effective Rate of Interest will not change (it is currently 7% for Portable refunds/lump-sum payments; 6.75% for interest accrual under money purchase), nor will retirement age eligibility. The money purchase annuitization factors will continue to use the System's assumed rate of interest (currently 7.75%.)

For those hired after June 1, 2014, unused vacation and sick time will continue to be calculated toward retirement benefits.

Current retirees will not see a change in the calculation method for their Automatic Annual Increase (AAI) on Jan. 1, 2015. The AAI will remain at 3% compounded.

SURS will continue to post updates to our website, when new information becomes available.

## **Order Granting Motion for Temporary Restraining Order and Preliminary Injunction** [2]

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### **Links**

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